

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 6, 2013

Dennis MacDonald 818 S. Highway 89A Kanab, Utah 84741

Subject: <u>Division Directive to Reclaim, Dennis MacDonald, The Alton Mine, S/025/0031, Kane</u>
County, Utah

Dear Mr. MacDonald:

On October 18, 2012, November 28, 2012, and June 19, 2013, the Division of Oil, Gas and Mining inspected your burnt shale mining operations, which are not yet permitted or reclaimed. You are required to take one of the following actions by the dates indicated:

- 1. Regrade all of your mining areas by October 15, 2013.
- 2. By September 20, 2013, submit a legible operations map identifying areas that will be included in the Notice of Intention to Commence Small Mining Operations (Notice) and areas that will be regraded by October 15, 2013. You may use the attached map to complete this requirement, or you may provide a different map at a scale of about 1"=500'. Any area not included in the Notice must be regraded by October 15, 2013.

Failure to complete these actions will likely result in enforcement action which will include fines.

You will be required to provide additional reclamation surety for areas you plan to include in the Notice. The Division has confirmed verbally that the Bureau of Land Management (BLM) holds reclamation surety in the amount of \$500.00. This applies to the western area. The Division's average bond costs per acre are shown below, and the amount of required surety will be based on the size of the disturbed area:



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Disturbance ¹ - (acres)	Adjusted 3-yr Reclamation Surety Costs (2013)		
	First Acre ² (3-yr)	Subsequent Cost/Acre	Total - 3 yr (thru 2015)
1	\$9,400	\$5,200	\$9,400
2	\$9,400	\$5,200	\$14,600
3	\$9,400	\$5,200	\$19,800
4	\$9,400	\$5,200	\$25,000
5	\$9,400	\$5,200	\$30,200
6	\$13,600	\$5,400	\$40,600
7	\$13,600	\$5,400	\$46,000
8	\$13,600	\$5,400	\$51,400
9	\$13,600	\$5,400	\$56,800
10	\$13,600	\$5,400	\$62,200

¹ Measured disturbance is rounded up to the next full acre.

Sixth acre includes additional mob/demob.

Regraded areas should be seeded as soon as possible after regrading, and the Division recommends that you use the attached seed mix.

If you have questions or concerns about this letter, please contact Lynn Kunzler at 801-538-5310, Peter Brinton at 801-538-5258, or me at 801-538-5261. Thank you for your cooperation.

Sincerely,

Paul B. Baker

Minerals Program Manager

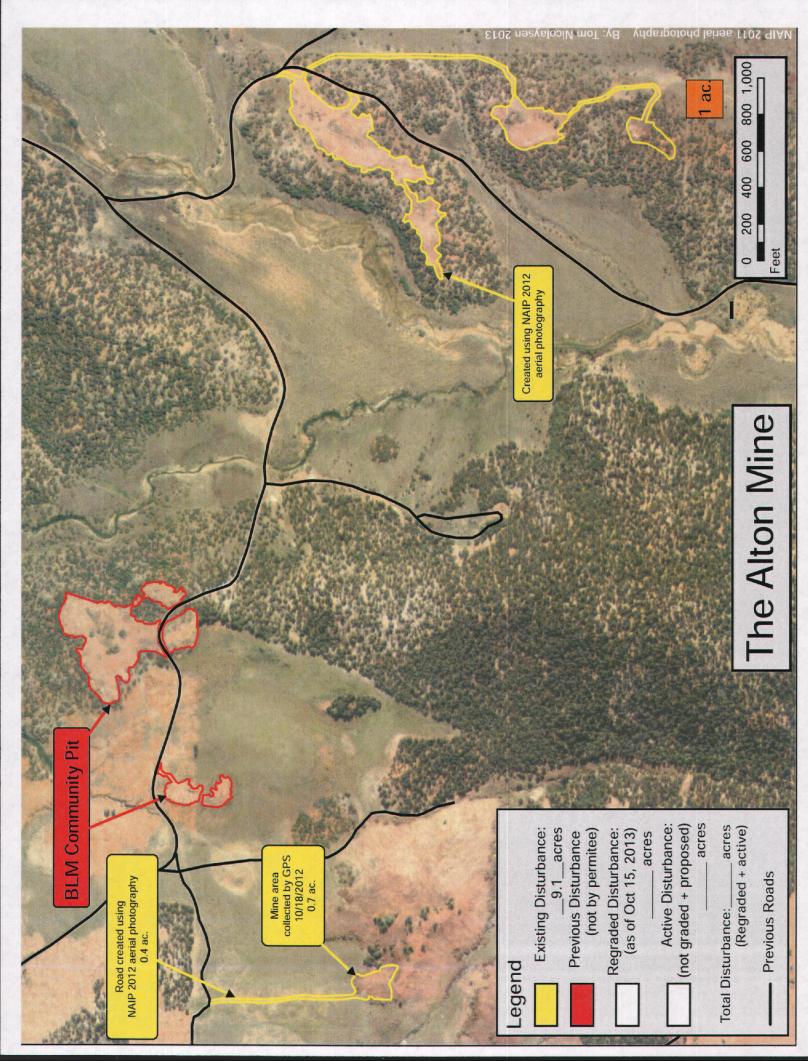
PBB: pnb: eb

Enclosed: Draft Small Mine Operation Map

James Holland, BLM-Kanab (james_holland@blm.gov)

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² The reclamation cost for the First Acre includes equipment O&M and labor, plus mobilization, demobilization, and third-party and indirect costs.



Recommended Revegetation Species List

The Alton Mine S/025/0031

Common Name	Species Name	*Rate lbs/ac (PLS)
Thickspike wheatgrass	Agropyron dasystachum	2.0
Bluebunch wheatgrass	Agropyron spicatum	2.0
Intermediate wheatgrass	Agropyron intermedium	1.0
Basin Wildrye	Elymus cinereus	2.0
Ladac Alfalfa	Medicago sativa	0.5
Yellow sweetclover	Melilotus officinalis	0.5
Palmer penstemon	Penstemon palmerii	0.5
Small burnet	Sanguisorba minor	1.5
Mountain big sagebrush	Artemisia tridentata vaseyana	0.1
Forage kochia	Kochia prostrata	0.5
Bitterbrush	Purshia tridentata	1.0
	Total	11.6 lbs/ac

Broadcast seeding rate.